

Policy and Procedure	Date Issued 1/1/2010	Section Provider Network	Policy Number QA-6	Page 1
Milwaukee County Behavioral Health Division  SAIL	Date Revised	Subject:  Fraudulent Activity		

## 1. POLICY:

It is the policy of the Behavioral Health Division (BHD) Community Service Branch that controls be implemented to detect and prevent fraudulent and abusive activity, that allegations of fraudulent activity are thoroughly investigated, and that corrective/legal measures be implemented and taken as appropriate. This policy applies to any fraud/abuse, or suspected fraud/abuse, involving Providers, consultants, contractors, and outside agencies doing business with employees of such agencies, and/or any other parties that have a business relationship with BHD Community Services Branch. All Providers are expected to cooperate with the State of Wisconsin Department of Health Services (DHS), and applicable Milwaukee County Departments on fraud and abuse investigations.

## 2. PROCEDURE:

### DEFINITIONS:

**Fraud** involves an intentional deception, or representation that an individual either knows is false or does not believe to be true and the individual hopes to benefit personally or is making the representation for the benefit of a third party. *Examples:* A provider who knowingly bills for services that were not rendered, bills multiple times for the same services, or bills for more costly services than furnished; a provider who misrepresents his or her qualifications or bills for services furnished by unqualified staff; a provider who alters or falsifies documents, or a provider who allows pre-signing of future service dates on the client sign in sheets.

**Abuse** involves provider actions that contradict sound clinical, financial, or business practices in a way that harms clients or increase program costs unjustifiably. *Example:* A provider who furnishes services that are no longer necessary or are inappropriate for the client's condition.

- A. Agencies are expected to have Fraud Prevention measures in place within their agency. All agencies should be aware of the potential for fraud within their organizations and take steps to prevent fraud from happening. Personal incentives to commit fraud are almost impossible to prevent. However, agencies can take steps to avoid organizational incentive for fraud and to maintain strong internal controls through fraud awareness and prevention activities such as:
- Promoting integrity and ethical behavior throughout the organization.
  - Performing background checks of employees, checking their license or certification status, and checking for their debarment or suspension status.
  - Documenting and reviewing business processes for handling funds.
  - Identifying and correcting situations where there is a lack of segregation of duties or where staff override these controls.
  - Training staff on reporting responsibilities and procedures.
  - Promptly and thoroughly investigate complaints and creating a safe environment for such reports.
  - Ensure that the agency has adequate insurance coverage for employee theft.

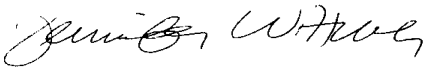
If there is any question as to whether an action constitutes fraud, contact Community Service Branch Contract Services for guidance.

- B. Any fraud or abuse that is detected or suspected must be reported immediately to the identified Provider's Compliance Officer or designee who is accountable to the Provider's Administrative

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staff and coordinates all investigations with the appropriate parties, both internal and external. The Community Services Branch considers all fraud involving its programs to be material. The Community Services Branch expects that agencies take corrective action for weaknesses that led to the fraud and to repay the Department for all losses due to fraud, regardless of the amount involved.

- C. When the Community Services Branch becomes aware of any fraud or abuse, that is detected or suspected, the investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Community Services Branch. The Community Services Branch will take action to prevent any further loss from occurring.

Reviewed & Approved by:   
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